

VZCZCXYZ0000
RR RUEHWEB

DE RUEHHK #2247/01 3440210
ZNR UUUUU ZZH
R 100210Z DEC 09
FM AMCONSUL HONG KONG
TO RUCPDOG/USDOC WASHDC
INFO RUEHC/SECSTATE WASHDC 9126
RHMFIUU/HQ BICE WASHINGTON DC

UNCLAS HONG KONG 002247

USDOC FOR 532/OEA/LHINES
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR PATRICK SANTILLO
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)

SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: COREZING
INTERNATIONAL HK CO., LTD.

REF: A) EUC request 01210082 B) EUC request 01210083 C) EUC request
01210088

11. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. As per reftels A-C requests and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) conducted three post shipment verifications (PSVs) of shipments destined to Corezing International Co., Ltd., G/F, No. 89 Fuyan Street, Kwun Tong, Hong Kong. The items in question for these PSVs are various semiconductors exported to Corezing on or about June 7, 2008, June 27, 2008 and March 28, 2008. For the shipment referenced in reftel C, the items are classified under Export Control Classification Number (ECCN) 3A001b2d, meaning that they are controlled for national security reasons and would require a license for export/reexport to mainland China but may be shipped license free if for use in Hong Kong. The exporter for that shipment was Antennas and Components of Andover Massachusetts. The remaining two shipments are classified by the exporter as EAR99 and, if properly classified, can be shipped to virtually all destinations and end users worldwide except sanctioned countries and restricted entities and individuals. The exporter for these shipments was QPhotonics LLC, of Ann Arbor, Michigan.

13. According to the Hong Kong Companies Registry, Corezing has been in existence since July 2007. Its paid up share capital is the Hong Kong equivalent of USD 65,000. The Hong Kong Companies Registry lists Luo, Jie (with Mainland passport number 441481198206082304) and Zhou, Zhenyong (with Mainland passport number 441900198910161558) as directors. Corezing in Hong Kong is related to a range of Hong Kong and Singapore based companies. Those companies are the subject of ongoing investigations and a recently published temporary denial order (TDO). That TDO restricts the ability of those companies to acquire products that are subject to the Export Administration Regulations (EAR).

14. Background research on the address of Corezing (referenced above) revealed that it is the location of a RMB currency exchange booth later determined to be Chou Kee Money Exchange Co., an individual proprietorship established in October 2007. The owner of the company is Mr. Lai, Cho Hing, with Hong Kong ID card #H3359761 and a residential/business address of Flat/Rm B, 6/F, Lee Fung Bldg, 315-319 Queen's Rd. Central, Sheung Wan, Hong Kong. Chou Kee's phone number is (852) 2338-2916 and fax is (852) 2338 2917.

15. Prior to the meeting, Foreign Commercial Service (FCS) Commercial Assistant Carrie Chan received confirmation from Chow Kee contact person Ms. Lin that Chou Kee had received the three shipments referenced above. Ms. Lin claimed to have no records associated with the shipments and stated that the shipments had been received as a favor for a friend. Ms. Lin later clarified that the person was not a close friend and that Chou Kee no longer accepted

shipments on behalf of this person. That person was identified as a Ms. Luo with telephone number (86) 135 105 03709 who represents Corezing Shenzhen.

¶16. During an October 16, 2009, meeting, Ms. Lin stated (again) that she had received the three shipments in question and had done this service on behalf of a friend. That friend was identified as Ms. Luo, Jie. Ms. Lin believes that Ms. Luo may live in Shenzhen.

¶17. According to Mr. Chou (who stated that he is the boss of Chou Kee), Ms. Luo only came when there were packages coming. Ms. Luo knew when the packages arrived and those packages never stayed at the premises of Chou Kee overnight. Mr. Chou stated that he believes the items were destined for mainland China since that is where Ms. Luo is from. Mr. Chou stated that Chou Kee no longer accepts packages on behalf of Ms. Luo. He claimed that they are too busy to assist Ms. Luo. Mr. Chou stated that Ms. Luo did not pay them. Mr. Chou further stated that Ms. Luo took all documentation regarding the shipments with her when she picked up the packages. Mr. Chou claims that Chou Kee has no documentation regarding the shipments.

¶18. Mr. Chou stated that shipments arrived once every two to three months until they stopped over one year ago. Sometimes those shipments came for Corezing and sometimes they were addressed to Chou Kee. Mr. Chou stated that he did not know what was in the packages although at one point he stated that he had heard it was electronics. When ECO stated that one package contained items valued at USD 100,000, Mr. Chou appeared genuinely surprised.

¶19. When asked about their relationship with Ms. Luo, Mr. Chou and Ms. Lin stated that Ms. Luo is a neighbor of their family in Shenzhen. Mr. Chou and Ms. Lin both claimed not to know where Ms. Luo lives. ECO believes Mr. Chou and Ms. Lin's statements

minimizing their relationship with Ms. Luo are not credible.

¶110. By e-mail, Ms. Luo stated that she was unavailable to meet with the ECO as she travels extensively in mainland China and was therefore unable to come to Hong Kong. Given Ms. Luo's past travels to Hong Kong and her apparent residence in Shenzhen, ECO does not find Ms. Luo's statements that she is unable to meet to be credible.

¶11. Ms. Luo provided some information by e-mail concerning the shipments. As to the shipment referenced in reftel C (ITN: 20080326057744), Ms. Luo stated that she was unable to find any information about this shipment (this is the more highly controlled shipment). As to the shipments referenced in reftels A and B (ITN 20080606051060 and 20080626029522), Ms. Luo stated that these items were destined for Sichuan Chengdu LingShen Co for use in laser medical equipment. Ms. Luo also provided by e-mail a purported purchase order for these two transactions. That purchase contract does not include an address or telephone number for the customer (ECO was unable to find any web reference to this company). The purchase order also does not include any payment terms nor does it include any signatures. For these and other reasons, ECO does not believe this purchase order to be a legitimate document.

¶12. ECO believes Corezing to be a unsuitable recipient of U.S. origin technology. ECO recommends a close review of all shipments to Corezing and Chow Kee (and Chow Kee's address).